

*Five-Year Economic Forecast
and
Revenue Projections*

2016-2020

BASE CASE

February 2015 Forecast	MODIFIED					
	BUDGET	FORECAST				
REVENUE SUMMARY	2014-2015	2016	2017	2018	2019	2020
PROPERTY TAX	233,973,240	253,210,000	268,453,000	283,621,000	298,653,000	313,346,000
		8.22%	6.02%	5.65%	5.30%	4.92%
SALES TAX	180,024,000	189,195,000	195,174,000	201,439,000	208,167,000	215,348,000
		5.09%	3.16%	3.21%	3.34%	3.45%
TRANSIENT OCCUPANCY TAX	13,000,000	13,975,000	14,814,000	15,554,000	16,021,000	16,501,000
		7.50%	6.00%	5.00%	3.00%	3.00%
FRANCHISE FEES	45,346,879	47,205,000	48,418,000	49,488,000	50,463,000	51,341,000
		4.10%	2.57%	2.21%	1.97%	1.74%
UTILITY TAX	94,825,000	93,986,000	96,326,000	98,330,000	100,228,000	102,192,000
		(0.88%)	2.49%	2.08%	1.93%	1.96%
TELEPHONE TAX	20,700,000	20,800,000	20,871,000	20,933,000	21,000,000	21,065,000
		0.48%	0.34%	0.30%	0.32%	0.31%
BUSINESS TAX	43,700,000	44,000,000	44,229,000	44,423,000	44,606,000	44,775,000
		0.69%	0.52%	0.44%	0.41%	0.38%
LICENSES AND PERMITS	46,395,293	49,029,000	50,892,000	52,775,000	54,358,000	55,771,000
		5.68%	3.80%	3.70%	3.00%	2.60%
DEPARTMENTAL CHARGES	39,743,435	39,082,000	42,226,000	43,788,000	45,102,000	46,275,000
		(1.66%)	8.04%	3.70%	3.00%	2.60%
FINES, FORFEITURES & PENALTIES	14,205,334	14,436,000	14,574,000	14,780,000	14,985,000	15,092,000
		1.62%	0.96%	1.41%	1.39%	0.71%
MONEY & PROPERTY	2,914,023	3,317,000	3,368,000	3,445,000	3,527,000	3,607,000
		13.83%	1.54%	2.29%	2.38%	2.27%
REVENUE FROM LOCAL AGENCIES	27,307,083	22,857,000	22,634,000	22,934,000	23,271,000	23,597,000
		(16.30%)	(0.98%)	1.33%	1.47%	1.40%
REVENUE FROM THE STATE OF CALIFORNIA	12,538,099	10,576,000	10,335,000	10,335,000	10,335,000	10,335,000
		(15.65%)	(2.28%)	0.00%	0.00%	0.00%
FEDERAL REVENUE	11,466,924	952,000	962,000	990,000	1,019,000	1,048,000
		(91.70%)	1.05%	2.91%	2.93%	2.85%
OTHER REVENUE	165,200,681	13,864,000	13,638,000	13,883,000	7,881,000	7,938,000
		(91.61%)	(1.63%)	1.80%	(43.23%)	0.72%
GAS TAX	15,000,000	16,900,000	16,486,000	16,051,000	15,483,000	14,936,000
		12.67%	(2.45%)	(2.64%)	(3.54%)	(3.53%)
TOTAL GENERAL REVENUES	966,339,991	833,384,000	863,400,000	892,769,000	915,099,000	943,167,000
		(13.76%)	3.60%	3.40%	2.50%	3.07%

BASE CASE

February 2015 Forecast	MODIFIED BUDGET	FORECAST				
REVENUE SUMMARY	<u>2014-2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
TRANSFERS & REIMBURSEMENTS						
OVERHEAD REIMBURSEMENTS	38,058,612	37,067,000	38,475,000	39,899,000	41,096,000	42,164,000
TRANSFERS	19,558,121	18,931,000	19,138,000	19,449,000	19,680,000	19,926,000
REIMBURSEMENTS FOR SERVICES	775,406	723,000	751,000	779,000	802,000	823,000
TOTAL TRANSFERS & REIMBURSEMENTS	58,392,139	56,721,000	58,364,000	60,127,000	61,578,000	62,913,000
		(2.86%)	2.90%	3.02%	2.41%	2.17%
TOTAL GENERAL FUND REVENUES	1,024,732,130	890,105,000	921,764,000	952,896,000	976,677,000	1,006,080,000
		(13.14%)	3.56%	3.38%	2.50%	3.01%
BEGINNING FUND BALANCE	270,638,395	62,251,000	62,363,000	63,257,000	64,223,000	62,633,000
GRAND TOTAL SOURCES	1,295,370,525	952,356,000	984,127,000	1,016,153,000	1,040,900,000	1,068,713,000
		(26.48%)	3.34%	3.25%	2.44%	2.67%

BASE CASE

February 2015 Forecast EXPENDITURE SUMMARY	MODIFIED	FORECAST					
	BUDGET	2014-2015	2016	2017	2018	2019	2020
PERSONAL SERVICES							
Salaries and Other Compensation	390,905,400	403,001,000	416,948,000	431,381,000	446,314,000	461,766,000	
Retirement	234,649,055	243,880,000	245,990,000	251,586,000	251,394,000	249,915,000	
Health and Other Fringe Benefits	53,305,282	53,271,000	56,890,000	60,755,000	64,882,000	69,290,000	
TOTAL PERSONAL SERVICES	678,859,737	700,152,000	719,828,000	743,722,000	762,590,000	780,971,000	
		3.14%	2.81%	3.32%	2.54%	2.41%	
TOTAL NON-PERSONAL/EQUIPMENT	103,545,956	88,850,000	90,207,000	93,236,000	95,585,000	96,400,000	
		(14.19%)	1.53%	3.36%	2.52%	0.85%	
CITY-WIDE							
CITY-WIDE EXPENSES	263,688,135	77,578,000	78,736,000	80,123,000	81,378,000	82,716,000	
CAPITAL PROJECTS	44,415,000	5,450,000	5,450,000	5,450,000	5,450,000	5,450,000	
TRANSFERS	36,807,380	27,175,000	30,182,000	31,312,000	33,082,000	32,420,000	
EARMARKED RESERVES	135,354,317	10,922,000	11,540,000	13,461,000	15,248,000	17,228,000	
CONTINGENCY RESERVE	32,700,000	33,100,000	33,100,000	33,100,000	33,100,000	33,100,000	
TOTAL CITY-WIDE	512,964,832	154,225,000	159,008,000	163,446,000	168,258,000	170,914,000	
		(69.93%)	3.10%	2.79%	2.94%	1.58%	
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,295,370,525	943,227,000	969,043,000	1,000,404,000	1,026,433,000	1,048,285,000	
		(27.18%)	2.74%	3.24%	2.60%	2.13%	

OPERATING MARGIN

	MODIFIED	FORECAST					
	BUDGET	2014-2015	2016	2017	2018	2019	2020
BASE EXPENDITURES (w/o COMMITTED ADDITIONS)							
GRAND TOTAL REVENUE	1,295,370,525	952,356,000	984,127,000	1,016,153,000	1,040,900,000	1,068,713,000	
GROWTH RATE		(26.48%)	3.34%	3.25%	2.44%	2.67%	
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,295,370,525	943,227,000	969,043,000	1,000,404,000	1,026,433,000	1,048,285,000	
GROWTH RATE		(27.18%)	2.74%	3.24%	2.60%	2.13%	
OPERATING MARGIN CHANGE		9,129,000	5,955,000	665,000	(1,282,000)	5,961,000	
<i>From Prior Year</i>							

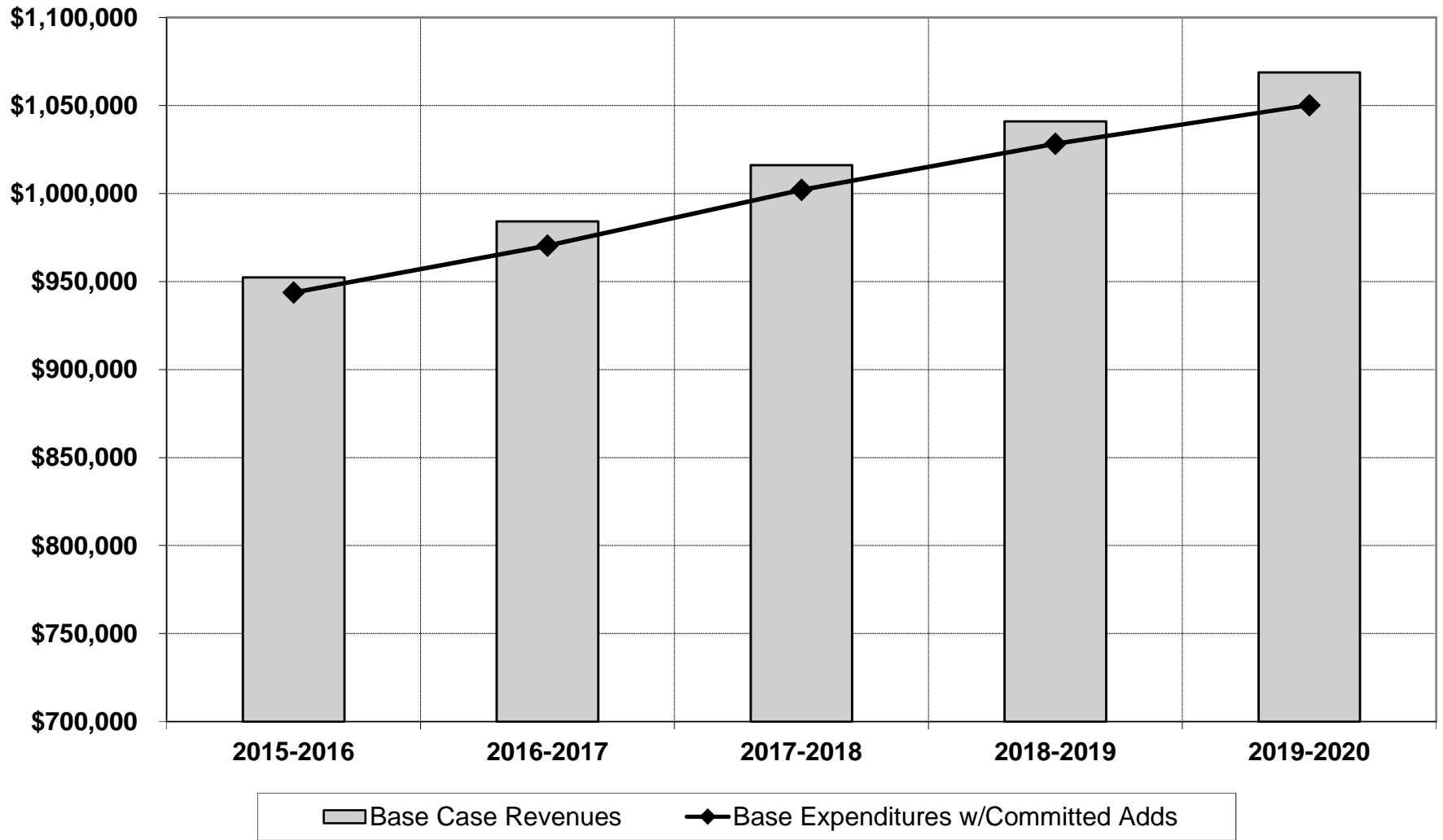
BASE CASE

February 2015 Forecast EXPENDITURE SUMMARY	MODIFIED	FORECAST					
	BUDGET	<u>2014-2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<i>COMMITTED ADDITIONS:</i>							
New Municipal Improvements Maintenance and Operations			48,000	61,000	63,000	64,000	66,000
New Parks and Recreation Facilities Maintenance and Operations			186,000	380,000	580,000	682,000	787,000
New Traffic Infrastructure Assets Maintenance and Operations			51,000	148,000	164,000	178,000	185,000
Measure O (Library) Maintenance and Operations			228,000	701,000	722,000	743,000	763,000
Measure P (Parks) Maintenance and Operations			0	0	87,000	88,000	84,000
Measure O (Public Safety) Maintenance and Operations: Fire			13,000	26,000	27,000	28,000	28,000
TOTAL COMMITTED ADDITIONS	0	526,000	1,316,000	1,643,000	1,783,000	1,913,000	1,913,000
TOTAL BASE EXPENDITURES (w/ COMMITTED ADDITIONS)	1,295,370,525	943,753,000	970,359,000	1,002,047,000	1,028,216,000	1,050,198,000	1,050,198,000
			(27.14%)	2.82%	3.27%	2.61%	2.14%

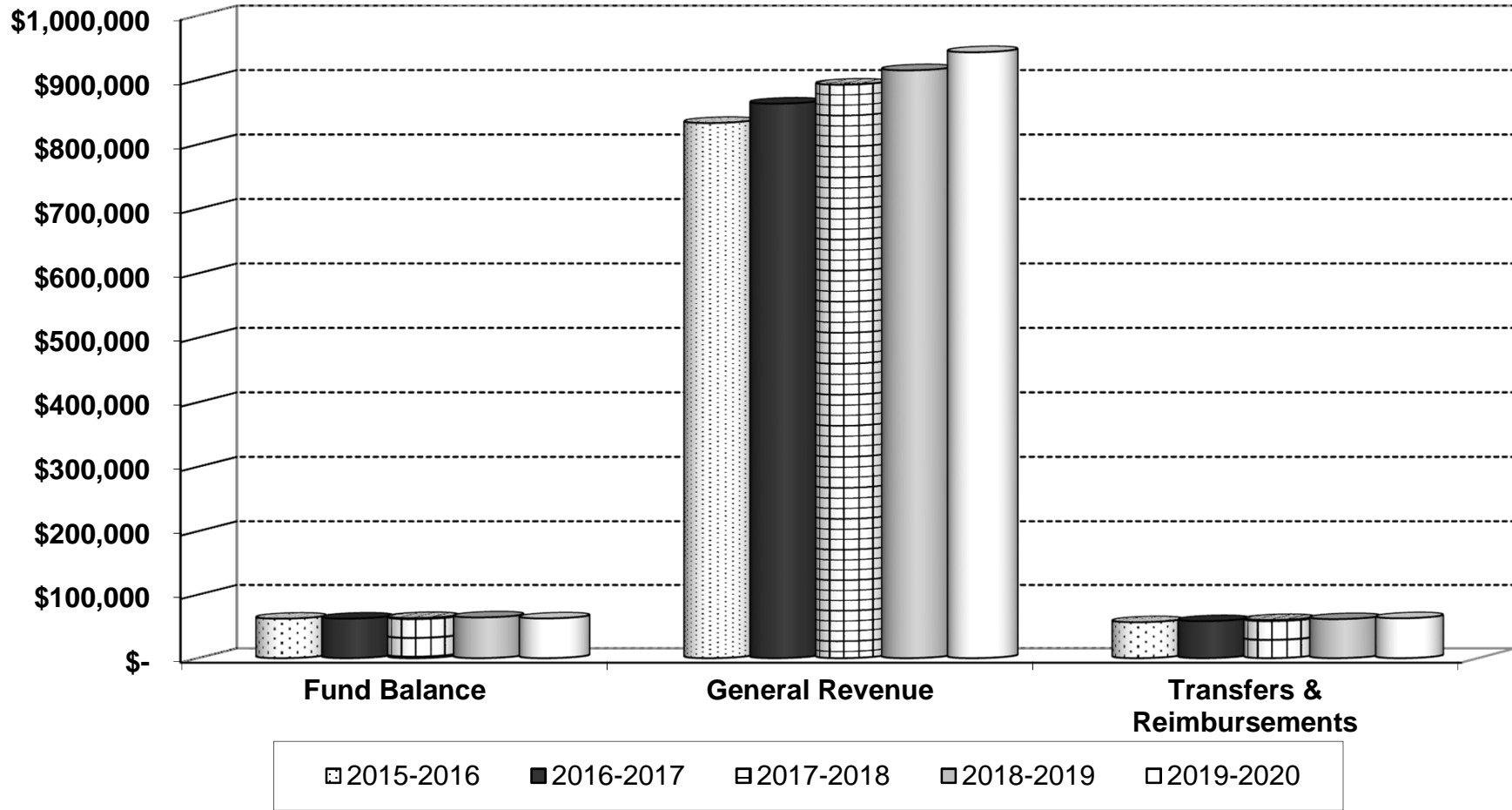
OPERATING MARGIN

	MODIFIED	FORECAST					
	BUDGET	<u>2014-2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
BASE EXPENDITURES (w/ COMMITTED ADDITIONS)							
GRAND TOTAL REVENUE	1,295,370,525	952,356,000	984,127,000	1,016,153,000	1,040,900,000	1,068,713,000	1,068,713,000
GROWTH RATE		(26.48%)	3.34%	3.25%	2.44%	2.67%	
TOTAL BASE EXPENDITURES (w/ COMMITTED ADDITIONS)	1,295,370,525	943,753,000	970,359,000	1,002,047,000	1,028,216,000	1,050,198,000	1,050,198,000
GROWTH RATE		(27.14%)	2.82%	3.27%	2.61%	2.14%	
ONGOING OPERATING MARGIN CHANGE		8,603,000	5,165,000	338,000	(1,422,000)	5,831,000	
<i>From Prior Year</i>							

2016-2020 General Fund Forecast PROJECTED REVENUES AND EXPENDITURES (\$ in thousands)

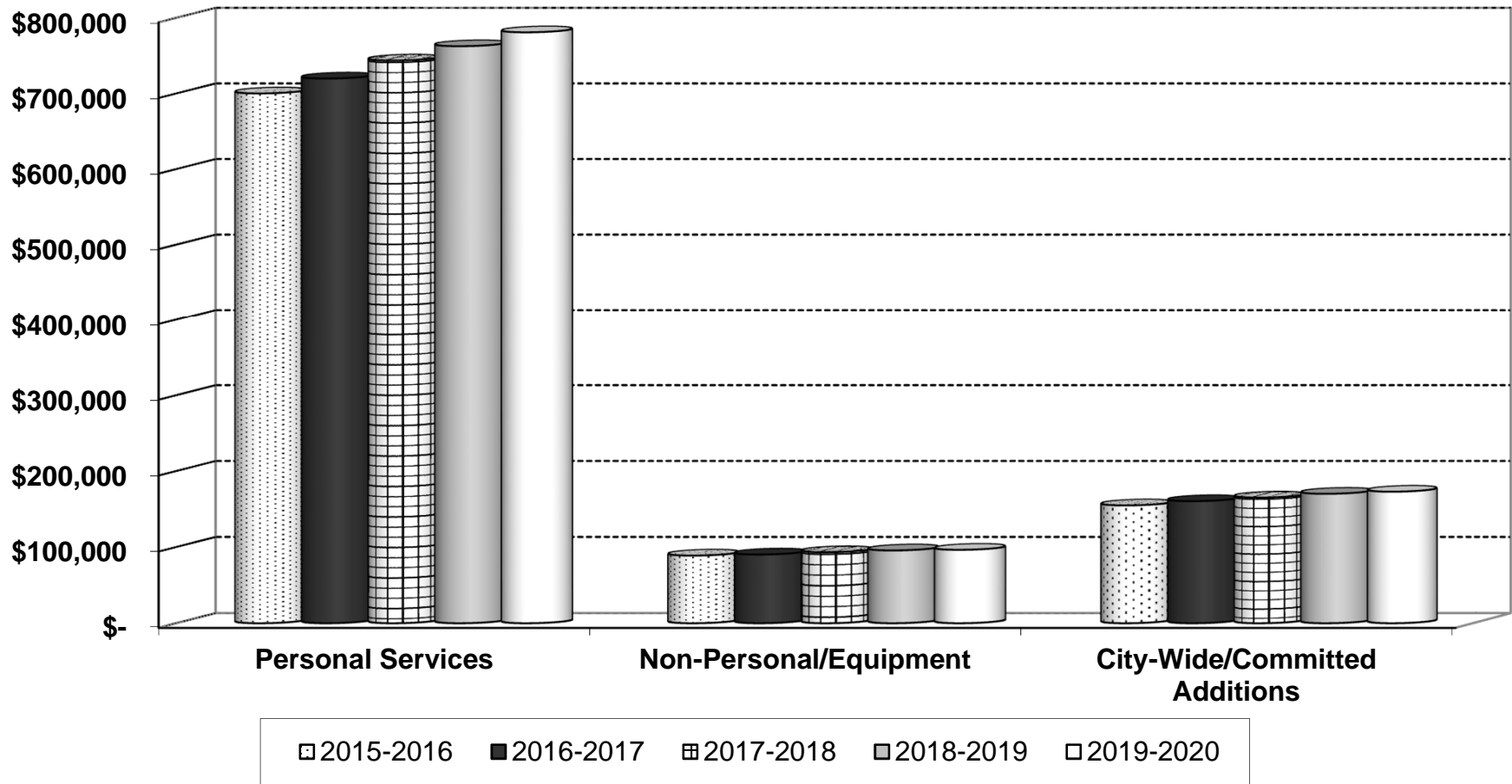


**2016-2020 General Fund Forecast
FIVE-YEAR SOURCE OF FUNDS COMPARISON
(\$ in thousands)**



2016-2020 General Fund Forecast FIVE-YEAR USE OF FUNDS COMPARISON (\$ in thousands)

II - 7



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